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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001292

SIPDIS

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SUBJECT: KMT CHAIRMAN WU POH-HSIUNG DISCUSSES INTERNATIONAL SPACE AND ARMS SALES WITH PRC LEADERS

Classified By: AIT Acting Director Robert S. Wang,
Reasons: 1.4 (b/d)

¶1. (C) Summary: In a meeting with the Acting Director on August 27, KMT Chairman Wu Poh-hsiung discussed his recent meetings in Beijing with PRC President Hu Jintao, Central Standing Committee member Jia Qinglin, and Taiwan Affairs Office Director Wang Yi. PRC leaders raised concerns about Taiwan's new UN initiative, maintaining that international pressure could make it more difficult to show flexibility toward Taiwan at the World Health Assembly next May. Wu assured Chinese leaders that Taiwan's UN initiative will be low key and he explained the domestic political reasons why the KMT has to submit a proposal at the UN. He told Wang Yi, who objected to U.S. arms sales to Taiwan, that Taiwan has to maintain a credible defense. Wu reiterated to A/DIR that Taiwan hopes the U.S. administration will move ahead on pending arms sales notifications to Congress. On domestic politics, Wu said President Ma Ying-jeou is currently resisting his suggestion that Ma serve concurrently as party chairman. Wu said he would be prepared to serve a second term if necessary to avoid a divisive chairmanship election next year. End Summary.

¶2. (C) The Acting Director and KMT Chairman Wu Poh-hsiung discussed cross-Straits relations, including Wu's recent trip to China for the Olympics opening ceremony, in a meeting at party headquarters on August 27. Wu was accompanied by former TECRO Representative Stephen Chen. Wu told the A/DIR that his trip to China, which in addition to the Olympics, also included visits to the northeast and to his ancestral home district in Fujian, had gone well. However, he had felt somewhat overwhelmed and constrained by the high-level reception by provincial party secretaries and the large number of activities at each stop.

¶3. (C) Wu noted that the Olympics opening ceremony highlighted China's traditional culture, which Beijing is now bringing back after the destruction of the Cultural Revolution. Wu said he was also struck by the strong nationalistic feelings of the people in China, as demonstrated by how loudly the audience sang the PRC national anthem at a concert put on by the Cincinnati Orchestra that he attended. Given the current strength of nationalism, Wu worried that moderate voices in China would not be able to speak out.

UN Initiative

14. (C) In Beijing, Wu had a twenty-minute meeting with PRC President Hu Jintao and also had discussions with Central Standing Committee member Jia Qinglin and Taiwan Affairs Office (TAO) Director Wang Yi during meals they hosted. Wu said he explained to Chinese leaders why the KMT, for domestic political reasons, had to make a proposal this year at the UN on Taiwan's wish to participate in UN technical agencies. He assured the Chinese that Taiwan's approach would be low key. PRC leaders were concerned that Taiwan's new initiative could lead to a confrontational debate at the UN on the issue. This would make it more difficult for Beijing to show flexibility at the WHA next May, because Beijing does not want to give the impression that it is acting under pressure from major powers in the UN. Beijing wants to decide on its own, without international pressure. PRC leaders also stressed that Taiwan should not violate the one China principle.

Diplomatic Truce

15. (C) Wu said he talked to PRC leaders about Taiwan's proposal for a "diplomatic truce" in which neither side would lure away the other's diplomatic allies. Wu pointed out to the Chinese that the competition over diplomatic allies wasted the resources of both sides and also increased the

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Taiwan people's dislike of the PRC. While PRC leaders are considering the issue, the Foreign Ministry has a tougher view, Wu observed.

Arms Sales

16. (C) In one exchange, Wu recalled, Wang Yi had stressed that China consistently opposes arms sales to Taiwan. Wu said he responded that Taiwan has to do something: "How can we not be able to defend ourselves?" PRC leaders were concerned President Bush might say something about arms sales to Taiwan while he was in China, but Wu told them he did not expect this to happen. Wu told A/DIR that he hoped pending arms sales would be notified to Congress, remarking "there is no need to delay."

17. (C) The A/DIR asked Wu whether he was concerned Beijing might not see any need or incentive to be flexible to Taiwan, as a U.S. scholar had recently suggested. In the scholar's view, Beijing is not afraid of the DPP because it had successfully weathered eight years of DPP rule. Wu rejected the argument, maintaining that Beijing has shown flexibility since 2005 when it reached a five-point agreement with then party Chairman Lien Chan. As a recent example of flexibility, Wu cited the PRC decision not to receive a visit by Paraguayan President Lugo, who was hoping to switch relations from Taipei to Beijing.

Domestic Politics

18. (C) Turning to domestic politics, Wu expected support for President Ma Ying-jeou to gradually increase in public opinion polling. Previously, pan-Blue supporters believed Ma lacked boldness because he was not aggressively pursuing the corruption case against former President Chen. This view changed, however, when Ma approved the release of documents related to the case that Chen had tried to claim were classified.

19. (C) Wu claimed credit for the proposal that Ma should serve concurrently as party chairman, as a means of unifying government and party leadership. Ma initially rejected the

suggestion, however, because he wanted to be seen as the president of all the people rather than the leader of just one party. Wu told A/DIR he would like to retire when his term as party chairman ends in August 2009. However, he added, he would be prepared to serve another term if it would prevent a divisive election battle for the position and Ma remains unwilling to assume the position.

Comment

¶10. (C) Wu seemed a bit taken aback by the PRC's negative reaction to Taiwan's new UN initiative as well as by the nationalistic mood he encountered in Beijing. The KMT believes it has to show progress on participation in international organizations, especially WHO, to prove to the public here that its forward-leaning cross-Strait engagement policy benefits Taiwan.
WANG